



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo #01-14

To: Benefits Administrators
From: Mary Habel, Director
State and Local Health Benefits Programs
CC: All OHB
Date: September 25, 2001
Re: Employees Called to Active Military Service

A number of questions have arisen due to the call-up of State employees for active duty in the United States armed forces. The Department of Human Resource Management (DHRM) wants to make you aware of a new and important policy concerning health benefits for these employees and remind you of some choices the employee will need to make.

The new policy is that State employees called up for active service from September 11 forward will not only be eligible for Extended Coverage, but also, they and/or their covered family members **will be eligible for the State's contribution to active employee premiums.** Further, the 2% administrative fee normally added to Extended Coverage premiums will not be charged.

State employees who are placed on active military duty do have access to health care coverage through the United States government, as do their dependents. Nevertheless, in keeping with policy, when active employees currently covered under the State Health Benefits Program are called for active duty, you must offer the employee and each covered dependent Extended Coverage, advising them of the State contribution.

The 60-day election period will apply for enrollment in Extended Coverage. (If the employee has reported for duty and is unavailable to submit an application, we must apply reason to allow the covered spouse or another authoritative responsible party to make application on the employee's behalf.) Each covered person is a Qualified Beneficiary (QB). A family of QBs may elect as a group, or any individual QB may elect to enroll in Extended Coverage, as follows:

QUALIFIED BENEFICIARIES	MEMBERSHIP	STATE CONTRIBUTION EQUALS...
1 QB	Single (Employee Only)	Current contribution to Single membership
2 QBs	Employee + One	Current contribution to Employee + One membership
3 or more QBs	Family	Current contribution to a Family membership
Double State category	Double State	Continuation of Double State*

*If the contract holder is the employee called up for active duty, the remaining spouse may become the contract holder by enrolling in Double State coverage through his or her agency within 31 days of the other spouse's call to active service. Keeping the membership under the active group in this regard will enable the family to have the benefit of premium conversion.

The 18-month period of extended coverage for activated employees and their families begins the first of the month after the date the actual military leave without pay begins. This may not be the first of the month after they report for duty, as they may have an accumulation of leave that they wish to use before leaving the active employee group. As always, Benefits Administrators (BAs) will need to assure that the Extended Coverage becomes effective the day after the last day in the active group. Should the employee remain in active service after enrollment for 18 months in Extended Coverage, conversion privileges for non-group coverage will apply for the employee and covered dependents.

Send the Extended Coverage Election Notice (enclosed) along with the Extended Coverage Monthly Rates for Military Leave (enclosed), Enrollment Form and Certificate(s) of Creditable Health Coverage to each eligible beneficiary as soon as you receive notification that an employee has been called up. If you know of employees who may be called to active duty, it would be wise to contact them and provide this information to them as soon as possible.

Individuals wishing to enroll in Extended Coverage must complete and return the Enrollment Form, as always, for BA certification. In addition to the regular processing, the BA needs to indicate that the form is being submitted for an employee on Military Leave Without Pay by writing **MILITARY LEAVE** at the top of the form above Part A, Employee Information. Forward the completed form to the health benefits plan (carrier), as is done with other Extended Coverage enrollees, for processing and billing.

Employees will be billed by their plans and they will be responsible for forwarding the employee portion of the premium within the time frame indicated by the plan. Once the employee's portion of the premium is paid, the enrolled family members will be entered into the Benefits Eligibility System (BES) allowing claims to be paid. The Department of Human Resource Management will collect the agency's portion of the premium on a monthly basis after receiving notice that the employee portion has been paid. This will be handled by IAT with supporting documentation to each agency. The final instructions will be forthcoming.

Employees returning from military leave have the full menu of health benefits choices (plans, membership, and the pre-tax premium option). If the employee returning from a military leave applies for coverage within 31 days of reinstatement, the coverage will begin either the first day of the month of reinstatement or the first of the following month, whichever is necessary to effect continuous coverage.

Flexible Reimbursement Accounts

Participation in the Medical Reimbursement Account can be continued through the end of the plan year. The employee may make a pre-tax lump-sum deduction taken from the final payroll before leave begins or be billed on an after-tax basis.

Long-Term Care Insurance

Employees can contact Aetna's customer service number 1-877-894-2471 to discuss the multiple payment options available while on leave.

The Health Insurance Manual will be updated to reflect changes to military leave policy. Do not hesitate to call us if you have a policy question on this or need additional guidance.

For your convenience, the following documents are enclosed:

- 1) Extended Coverage Monthly Rates for Military Leave
- 2) A Military Leave Notice/Election of Health Care Coverage Continuation
- 3) An Employee Fact Sheet

These documents will also appear on the DHRM web site at www.dhrm.state.va.us.

MH/chr